

TEXAS TRANSPORTATION COMMISSION

ALL Counties

MINUTE ORDER

Page 1 of 1

ALL Districts

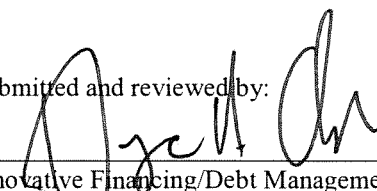
Article III, Section 49-k of the Texas Constitution created the Texas Mobility Fund (Mobility Fund) within the treasury of the State of Texas (state) to be administered by the Texas Transportation Commission (commission) as a revolving fund to: (i) provide a method of financing the construction, reconstruction, acquisition and expansion of state highways, including costs of any necessary design and costs of acquisition of rights of way, as determined by the commission in accordance with standards and procedures established by law; and (ii) provide participation by the state in the payment of a portion of the costs of constructing and providing publicly-owned toll roads and other public transportation projects in accordance with the procedures, standards and limitations established by law.

Pursuant to a Master Resolution, a First Supplemental Resolution and a Second Supplemental Resolution each adopted on May 4, 2005, a Third Supplemental Resolution adopted on May 25, 2006, a Fourth Supplemental Resolution and Fifth Supplemental Resolution each adopted on September 28, 2006, a Sixth Supplemental Resolution adopted on May 24, 2007, a Seventh Supplemental Resolution adopted on September 27, 2007, and an Eighth Supplemental Resolution adopted on December 18, 2008, and amended, restated and adopted on April 30, 2009, the commission issued eight series of bonds under Transportation Code, Chapter 201 and other applicable law. The bonds are secured by and payable from a pledge of and lien on all or part of the moneys in the Mobility Fund, and a full faith and credit pledge of the state, and which bonds were issued in the name and on behalf of the state to: (i) pay all or part of the costs of constructing, reconstructing, acquiring, and expanding State highways, including any necessary design and acquisition of rights of way, in the manner and locations determined by the commission that, according to conclusive findings of the commission, have an expected useful life, without material repair, of not less than 10 years; (ii) provide participation by the state in the payment of part of the costs of constructing and providing publicly owned toll roads and other public transportation projects that are determined by the commission to be in the best interests of the state in its major goal of improving the mobility of the residents of the state; and (iii) pay the costs of issuance.

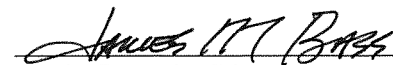
Under provisions of the First, Third, Fourth, Sixth, Seventh, and Eighth Supplemental Resolutions, the commission has covenanted to provide annually, within six months after the end of each fiscal year, financial information and operating data with respect to the Mobility Fund.

IT IS THEREFORE ORDERED by the commission that the annual report of financial information and operating data, attached as Exhibit A, is accepted.

Submitted and reviewed by:

  
Innovative Financing/Debt Management Officer

Recommended by:

  
Interim Executive Director

**113871 FEB 27 14**

Minute  
Number

Date  
Passed

**Exhibit A**

**Texas Mobility Fund**

**Continuing Disclosure Annual Report**

**For the Fiscal Year Ended August 31, 2013**

**Filed by**

**Texas Transportation Commission**

**Pursuant to Undertaking Provided to**

**Permit Compliance with SEC Rule 15c2-12**

**Texas Transportation Commission  
Texas Mobility Fund  
Annual Continuing Disclosure Report  
For the Fiscal Year ended August 31, 2013**

**I. General**

The financial information and operating data contained in this report with respect to the Texas Transportation Commission (the "Commission") to be provided annually in accordance with "CONTINUING DISCLOSURE OF INFORMATION - Continuing Disclosure Undertaking of the Commission Related to the Programs - Annual Reports" in the Official Statements for the Commission's outstanding State of Texas General Obligation Mobility Fund Bonds listed below (collectively, the "Official Statement") are summarized below:

- (1) any revenue forecast performed by the Texas Comptroller of Public Accounts (the "Comptroller") upon (i) the issuance of additional bonds from the Texas Mobility Fund (the "Fund"), substantially in the form of the table in the Official Statement titled "Texas Mobility Fund Historical and Estimated Revenues" or (ii) the substitution of any Dedicated Revenues by the State Legislature; and
- (2) an audited financial report of the Fund prepared in accordance with generally accepted accounting principles.

**Summary of Texas Transportation Commission  
State of Texas General Obligation Mobility Fund Obligations  
(in Thousands)**

<b>Description of Issue</b>	<b>Original Principal Amount</b>	<b>Principal Amount Outstanding as of 08/31/13</b>
Series 2005-A	\$ 900,000	\$ 764,760
Series 2005-B (Variable Rate Bonds) <sup>(1)</sup>	100,000	75,840
Series 2006	750,000	648,645
Series 2006-A	1,040,275	1,028,705
Series 2006-B (Multi-Modal Bonds) <sup>(1)</sup>	150,000	150,000
Series 2007	1,006,330	1,003,935
Series 2008	1,100,000	1,077,340
Taxable Series 2009A (Build America Bonds – Direct Payment)	1,208,495	1,208,495
<b>Total</b>	<b>\$ 6,255,100</b>	<b>\$ 5,957,720</b>

<sup>(1)</sup> The related Standby Bond Purchase Agreements to such bonds have the same security as such bonds.

**II. Annual Financial Statements and Financial Data**

- (1) **Revenue Forecast:** The Comptroller has not issued any forecast as a result of any substitution of Dedicated Revenues. However, the following table is derived from the Comptroller's revenue estimate dated January 21, 2014 (except for fiscal years 2009-2013), as a result of the Commission's request in connection with the possible issuance of refunding bonds for debt service savings. This estimate updates the data in "Table 4: Texas Mobility Fund Historical and Estimated Revenues" appearing in the Official Statement.

**Texas Mobility Fund Historical and Estimated Dedicated Revenues** <sup>(1) (2)</sup>  
(in Thousands)

Fiscal Year	Motor Vehicle Inspection Fees	Driver License Fees	Driver Record Information Fees	United We Stand License Plates	Certificate of Title Fees	Motor Carrier Act Penalties	Depository Interest	Total Dedicated Revenues <sup>(3)</sup>
2009	\$83,433	\$102,032	\$57,730	\$4	\$73,712	\$2,133	\$15,088	\$334,132
2010	88,893	99,645	55,956	5	74,179	1,727	18,273	338,678
2011	90,080	126,527	57,119	5	80,283	1,795	11,248	367,057
2012	95,837	129,018	58,381	5	87,060	2,641	7,131	380,073
2013	98,020	131,490	61,127	4	89,924	2,857	4,063	387,486
2014	99,874	144,938	62,044	4	91,102	2,721	2,800	403,483
2015	101,971	133,773	62,975	4	93,317	2,762	2,864	397,666
2016	104,112	134,376	63,919	4	118,222	2,803	2,928	426,364
2017	106,298	141,268	64,879	4	120,585	2,845	2,982	438,861
2018	108,530	139,248	65,851	4	122,968	2,888	3,011	442,500
2019	110,701	147,835	66,838	4	125,427	2,931	3,048	456,784
2020	112,915	150,053	67,841	4	127,936	2,975	3,109	464,832
2021	115,173	152,303	68,858	4	130,495	3,020	3,171	473,024
2022	117,476	154,588	69,891	4	133,105	3,065	3,235	481,364
2023	119,826	156,907	70,939	4	135,767	3,111	3,299	489,853
2024	122,222	159,260	72,004	4	138,482	3,158	3,365	498,495
2025	124,667	161,649	73,084	4	141,252	3,205	3,433	507,293
2026	127,160	164,074	74,180	4	144,077	3,253	3,501	516,249
2027	129,703	166,535	75,293	4	146,958	3,302	3,571	525,367
2028	132,297	169,033	76,422	4	149,897	3,352	3,643	534,648
2029	134,943	171,569	77,568	4	152,895	3,402	3,715	544,097
2030	137,642	174,142	78,732	4	155,953	3,453	3,790	553,716
2031	140,395	176,754	79,913	4	159,072	3,505	3,866	563,509
2032	143,203	179,406	81,111	4	162,254	3,558	3,943	573,478
2033	146,067	182,097	82,328	4	165,499	3,611	4,022	583,627
2034	148,988	184,828	83,563	4	168,809	3,665	4,102	593,959
2035	151,968	187,600	84,816	4	172,185	3,720	4,184	604,478
2036	155,008	190,414	86,089	4	175,629	3,776	4,268	615,187
2037	158,108	193,271	87,380	4	179,141	3,832	4,353	626,089
2038	161,270	196,170	88,691	4	182,724	3,890	4,440	637,189
2039	164,495	199,112	90,021	4	186,378	3,948	4,529	648,489
2040	167,785	202,099	91,371	4	190,106	4,008	4,620	659,993
2041	171,141	205,130	92,742	4	193,908	4,068	4,712	671,705
2042	174,564	208,207	94,133	4	197,786	4,129	4,806	683,630
2043	178,055	211,331	95,545	4	201,742	4,191	4,903	695,770
2044	181,616	214,501	96,978	4	205,777	4,253	5,001	708,130

Derived from the Comptroller's revenue estimate dated January 21, 2014, except for Fiscal Years 2009 - 2013.

<sup>(1)</sup> This forecast does not anticipate surplus revenues from regional mobility authorities created pursuant to Chapter 370 of the Texas Transportation Code, Court Fines or Driver's License Points Surcharges.

<sup>(2)</sup> These amounts exclude federal subsidies for Build America Bonds. Amounts for Fiscal Years 2009 – 2013, in italics, represent historical dedicated revenues for the Fund as reported by the Department.

<sup>(3)</sup> Totals may not sum due to rounding.

(2) **Audited Financial Report of the Fund:** The Texas Department of Transportation's audited financial statements of the Fund for the fiscal year ending August 31, 2013 is incorporated by reference and was previously filed with the Electronic Municipal Market Access System on January 2, 2014. (CUSIP Prefixes 882721 and 882722). The report may be accessed over the internet at [www.emma.msrb.org](http://www.emma.msrb.org).

### **III. Supplemental Information:**

#### **(1) Sequestration of Build America Bond Direct Subsidy Payments**

The Budget Control Act of 2011 amended the Balanced Budget and Emergency Deficit Control Act of 1985 to require certain automatic reductions in federal spending (the "Sequester Cuts") effective as of March 1, 2013. On February 15, 2014, the Bipartisan Budget Act of 2013 was amended to, among other things, extend the planned Sequester Cuts to 2024.

The Texas Mobility Fund Bond Series 2009A Bonds are currently outstanding in the principal amount of approximately \$1.21 billion. The Sequester Cuts include a reduction in Build America Bonds Subsidy Payments ("BAB Subsidy Payments") to the Commission for the Series 2009A Bonds for the federal fiscal years ended September 30, 2013 and September 30, 2014, respectively. The federal government has not yet announced the amount of reductions to BAB Subsidy Payments for future federal fiscal years. As a result of the Sequester Cuts, the BAB Subsidy Payments received by the Commission for the Series 2009A Bonds in the fiscal year ended August 31, 2013 was reduced by approximately \$1 million. The Commission currently anticipates the BAB Subsidy Payments to be received for the Series 2009A Bonds in the fiscal years ending August 31, 2014 and August 31, 2015 will be reduced by approximately \$1.9 million and \$840,000, respectively (the federal government has not yet announced the amount of reduction in BAB Subsidy Payments applicable to the second half of the Department's fiscal year ending August 31, 2015).

Pursuant to the resolution authorizing the issuance of the Series 2009A Bonds, the Commission is required to make interest and principal payments on the Series 2009A Bonds regardless of whether any BAB Subsidy Payments are received. If the Sequester Cuts continue, the Commission may be required to expend Pledged Revenues or other sources of security in order to pay debt service on the Series 2009A Bonds resulting from a reduction in BAB Subsidy Payments.

The Commission and the Department can make no prediction as to the length or long-term effects of the Sequester Cuts, and the Commission and the Department make no representations as to whether the Sequester Cuts will remain in effect and cause a reduction in receipt of BAB Subsidy Payments for any future year.

#### **(2) Subsequent Events**

At the January 30, 2014 Commission meeting, the Commission approved a ninth supplemental resolution authorizing the issuance of new money and refunding obligations of Texas Mobility Fund bonds in one or more series for new money purposes and to refund outstanding Texas Mobility Fund obligations to achieve a debt service savings. During 2014, the Commission currently expects to refund certain outstanding Texas Mobility Fund obligations. No assurances are given regarding whether refunding bonds will be issued and if issued the amount of such bonds or the obligations to be refunded.